

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00 FRB-03

XMB-02 OPIC-03 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 PA-01 PRS-01 USIA-06 /082 W

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R 031905Z APR 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9800

C O N F I D E N T I A L SAN JOSE 1344

E.O. 11652: GDS

TAGS: EFIN, ETRD, CS

SUBJECT: PRESIDENT ODUBER ORDERS MAJOR BIDS ONLY IN  
U.S. DOLLARS

1. AT LUNCHEON CONVERSATION APRIL 1 PRESIDENT ODUBER TOLD ME THAT SINCE HIS RETURN FROM EUROPE HE HAD ORDERED THAT ALL MAJOR BIDS BE MADE IN U.S. DOLLARS ONLY. THIS DECISION WAS PROMPTED BY HIS OBSERVATIONS IN EUROPE OF CERTAIN MOVEMENTS IN THE EUROPEAN CURRENCIES, PARTICULARLY GERMAN AND SWISS, AGAINST THE STRENGTH OF THE DOLLAR. HE DID NOT KNOW WHO WAS BEHIND THIS OR WHAT THE ULTIMATE CONSEQUENCES WOULD BE. HOWEVER, HE FELT THAT IN ORDER TO PROTECT COSTA RICA, HE WOULD NOT INCUR MAJOR DEBT OBLIGATIONS IN OTHER CURRENCY THAN U.S. DOLLARS.

2. ODUBER SAID THAT AS A RESULT OF HIS DECISION, BIDS THAT HAD BEEN MADE TO BUILD A CEMENT PLANT IN COSTA RICA, COSTING AROUND 80 MILLION DOLLARS, WENT NOT TO THE SPANISH OR GERMAN FIRMS WHICH WERE OFFERING EXCELLENT CREDIT TERMS, BUT TO AN AMERICAN FIRM, ALLIS-CHALMERS. HE SAID THAT AN APPLICATION WOULD BE MADE TO EX-IM BANK FOR CREDIT FOR THE EQUIPMENT AND HE WOULD BE CALLING ON THE EMBASSY TO SUPPORT THE APPLICATION FOR QUICK APPROVAL.

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3. ODUBER SAID ALSO THAT THE NATIONAL PRODUCTION COUNCIL WILL BE LETTING BIDS FOR EQUIPMENT WHICH COULD COST UP TO \$100 MILLION AND THAT HE WOULD INSIST AGAIN THAT THE BIDS MUST BE IN DOLLARS. HE EXPECTED, THEREFORE, THAT AMERICAN COMPANIES WOULD HAVE THE INSIDE TRACK. WHEN THE TIME CAME, HE HOPED AGAIN THAT EX-IM BANK WOULD LOOK FAVORABLY ON COSTA RICA'S REQUEST AND WOULD ENABLE THE COMPANIES TO MOVE QUICKLY.

4. ODUBER SAID THAT HE WOULD CONTINUE TO INSIST ON DOLLAR BIDS, IN THE FIRST PLACE TO KEEP COSTA RICA'S TRADE ORIENTED TOWARDS THE UNITED STATES, SECOND TO HAVE SOME KIND OF INSURANCE REGARDING COSTA RICA'S DEBT, AND THIRD IN THE HOPE THAT IF OTHER COUNTRIES WOULD BID IN DOLLARS, THIS WOULD GIVE THEM SOME VESTED INTEREST IN TRYING TO MAINTAIN THE DOLLAR'S VALUE.

5. I WOULD HOPE THAT THE EX-IM BANK WOULD MOVE PROMPTLY TO FACILITATE CREDIT THEREBY ENCOURAGING ODUBER'S INTENTION TO "BUY AMERICAN."  
TODMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOLLAR, CONSTRUCTION, CURRENCY CONTROLS, FINANCIAL PROGRAMS, PROPOSALS (BID), INDUSTRIAL PLANTS, CEMENT, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750116-0770  
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**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 SEP 2003  
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EO Systematic Review  
05 JUL 2006

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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESIDENT ODUBER ORDERS MAJOR BIDS ONLY IN U.S. DOLLARS  
**TAGS:** EFIN, ETRD, CS  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006